

OL/FIR PR

10 May 1988

MEMORANDUM FOR: Chief, Budget and Fiscal Branch, OL

STAT

FROM:

[REDACTED]

Chief, Printing and Photography Group, OL

SUBJECT:

Copier Replacement Program

1. Attached is a copy of the Office of Logistics, Printing and Photography Groups (OL/P&PG) funding requirements for FY-89, FY-90, FY-91, FY-92, and FY-93 to maintain a replacement program for Agency copiers. These requirements are based on a useful life expectancy of five years for a copier, which is in-line with industry standards.

2. If you have any questions or desire additional information, please contact me on extension [REDACTED]

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Attachment

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OL/P&PG

[REDACTED]

(10May88)

Distribution

- 1 - Addressee w/att
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OL 11039-88



## Five Year Copier Management Replacement Program

1.) Beginning in FY-88 the Agency copier population was at 505 copiers. By the end of the fiscal year the copier population should be at around 580. This is a 15% annual growth of new copier placements and it is unknown when this annual growth rate will peak. The replacement program should serve as a catalyst in reaching this peak in a predictable amount of time. CMP must be able to control when copiers should be replaced so that old copiers will be replaced before problems arise. It is believed that consistently replacing the old out-dated copiers with new state-of-the-art copiers, will dramatically reduce the number of requests for new copiers.

2.) If 20% of the copier fleet is replaced every year, the Agency will have a new fleet of copiers every five years, which is within the life expectations of most copiers. The copier population is growing at a present rate of 15% per year. By carefully implementing this replacement program and strategically placing high volume copiers, this growth rate can be dramatically reduced over the five year period. The projections outlined below are based on this assumption. The growing number of old and worn out copiers has caused a surge in requests for additional copiers to be placed as "back-ups" to the worn-out copier. By increasing the number of new copiers to worn-out copiers, the rate of new copier requests can be reduced. This 15% rate can be reduced by at least 1/5 for each replacement year because of the consistent influx of new dependable copiers.

3.) At the present rate of copier expenses, the increased costs incurred for each replacement copier will amount to an average of \$3,000.00 per copier per year. The projections below indicate the projected figure of \$3,090.00 for FY-89 which includes an inflation adjustment of 3% for that year and for each year thereafter.

FY	BEGIN FY POP	GROWTH RATE (PROJ)	COPIER POP (PROJ)	COPIERS REPLACED (PROJ)	COST PER COPIER (PROJ)	*TOTAL REPLACEMENT FOR FUTURE FY
1989	580	12.00%	650.44	116	\$3,090.00	\$358,440.00
1990	650	9.00%	708.98	130	\$3,182.70	\$413,751.00
1991	708	6.00%	751.52	142	\$3,278.18	\$465,501.70
1992	751	3.00%	774.06	150	\$3,376.53	\$506,478.96
1993	774	0.00%	774.06	155	\$3,477.82	\$539,062.44

\* - This column indicates the funds needed for the replacement program for each fiscal year to cover the additional program costs.